

Manufacturers' Utilization of Plant Capacity: 2002

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The U.S. Census Bureau reports U.S. domestic manufacturing plants used an estimated 64 percent (± 1 percentage point) of their full production capacity for the fourth quarter of 2002, which remained unchanged from the rate observed for the fourth quarter of 2001.

Durable goods industries in the fourth quarter of 2002 operated at an 11 percent lower rate (± 1 percentage point) than non-durable goods industries with a full production utilization rate of 59 percent compared to 70 percent for nondurable goods industries. Durable goods industries are manufacturing industries in which items have a normal life expectancy of 3 years or more. Nondurable goods industries are manufacturing industries in which items generally have a life expectancy of less than 3 years.

Advance processing industries for 2002 operated at a 6 percent lower rate (± 1 percentage point) than primary processing industries with a full production utilization rate of 62 percent compared with 68 percent for primary processing industries. Primary processing industries are industries in which products are generally the first processed output of raw materials in the manufacturing process. Advanced processing industries are industries in which products are considered finished manufactured items.

Industries with the lowest utilization rates of their full production capacity in the fourth quarter of 2002 were computer and electronic product manufacturing (NAICS 334) at 51 percent and leather and allied product manufacturing (NAICS 316) at 54 percent. Among the industries with the highest utilization rates for 2002 were

petroleum and coal products manufacturing (NAICS 324) at 80 percent and paper manufacturing (NAICS 322) at 80 percent. Full production capacity is broadly defined as the maximum level of production an establishment could attain under normal operating conditions.

Industries with the lowest utilization rates of their national emergency production capacity in the fourth quarter of 2002 were leather and allied product manufacturing (NAICS 316) at 27 percent and apparel manufacturing (NAICS 315) at 31 percent. Among the industries with the highest utilization for 2002 were paper manufacturing (NAICS 322) at 71 percent and petroleum and coal products manufacturing (NAICS 324) at 68 percent. National emergency production is broadly defined as the greatest level of production an establishment can expect to sustain for 1 year or more under national emergency conditions. Both full production and national emergency production rates are shown in the accompanying table.

Since 1999, the industry classifications have been based on the 1997 edition of the North American Industry Classification System (NAICS) manual published by the Office of Management and Budget.

Data are obtained from manufacturing and publishing establishments by means of a mailed questionnaire. Respondents are asked to report their actual production, full production, and national emergency levels of operation for the fourth quarter of the year in terms of value of production. From these reported dollar values, utilization rates for full production and national emergency production are derived. Year-to-year changes in these

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rates are affected by changes in the estimated capacity of industrial plants due to factors such as capital expenditures, capital retirements, changes in the workforce, changes in prices, changes in product mix, and changes in respondents' estimates of productivity.

Final estimates are based on information collected from a sample of approximately 17,300 manufacturing and publishing establishments. Estimates in this release are based on response from approximately 75 percent of the survey panel. These estimates are preliminary and

subject to change as a result of additional review of the data. The estimates are subject to sampling and non-sampling error. The ranges indicated in this report are at the 90-percent confidence level.

The final publication will contain more detailed estimates at the six-digit NAICS level, a detailed discussion about the definitions of capacity levels, the limitations of the data, industry classification, and survey methods.

Address inquiries concerning these figures to U.S. Department of Commerce, U.S. Census Bureau, Manufacturing and Construction Division, Washington, DC 20233, or call Maryellen Buffington, 301-763-4667.

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Manufacturers' Utilization Rates of Plant Capacity by Major Industry Group: Fourth Quarters 2002 and 2001

NAICS code	Industry	Utilization rate (percent)				Standard errors			
		Full production		National emergency production		Full production		National emergency production	
		2002 ^P	2001	2002 ^P	2001	2002 ^P	2001	2002 ^P	2001
—	All manufacturing ¹	64	64	45	45	1	1	1	1
—	Durable goods ¹	59	61	40	40	1	1	1	1
—	Nondurable goods ¹	70	70	53	55	1	1	1	1
—	Advance processing ¹	62	63	43	43	1	1	1	1
—	Primary processing ¹	68	68	50	52	1	1	1	1
311	Food manufacturing	74	72	58	55	2	2	2	2
312	Beverage and tobacco product manufacturing	65	68	50	58	1	1	1	1
313	Textile mills	66	68	56	58	2	2	2	2
314	Textile product mills	66	70	46	50	2	2	2	2
315	Apparel manufacturing	71	69	31	36	2	2	3	2
316	Leather and allied product manufacturing	54	56	27	27	2	2	2	2
321	Wood product manufacturing	67	66	42	41	2	2	2	2
322	Paper manufacturing	80	76	71	67	2	2	2	2
323	Printing and related support activities	69	71	52	50	2	2	2	2
324	Petroleum and coal products manufacturing	80	80	68	67	2	2	2	3
325	Chemicals manufacturing	66	68	48	55	2	2	2	2
326	Plastics and rubber products manufacturing	68	66	57	53	2	2	2	3
327	Nonmetallic mineral product manufacturing	66	66	41	45	2	2	2	2
331	Primary metal manufacturing	71	70	58	59	1	1	1	2
332	Fabricated metal product manufacturing	59	60	36	40	1	1	2	1
333	Machinery manufacturing	57	54	37	29	1	1	1	3
334	Computer and electronic product manufacturing	51	57	38	40	2	2	1	3
335	Electrical equipment, appliance, and component manufacturing	60	62	43	45	1	1	1	1
336	Transportation equipment manufacturing	64	64	45	45	1	1	1	1
337	Furniture and related product manufacturing	61	62	36	36	2	2	2	2
339	Miscellaneous manufacturing	64	65	40	43	2	2	2	2
5111	Newspaper, periodicals, book and database publishers	81	(NA)	70	(NA)	6	(NA)	13	(NA)

NA Not available. ^PPreliminary.

¹Excluding publishers.

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